

Testimony of Aimee Klein
American Physical Therapy Association of Massachusetts

before the

HEALTH CARE PROVIDER AND PAYER COSTS AND COST TRENDS HEARING

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Good afternoon my name is Dr. Aimee Klein. I am a director of the American Physical Therapy Association and a Clinical Assistant Professor of Physical Therapy at the MGH Institute of Health Professions. I am testifying for the American Physical Therapy Association of Massachusetts that represents the physical therapy profession in the Commonwealth. Our members practice across the spectrum of health care service delivery settings.

We support the imperative need for health care cost reform in Massachusetts and look forward to working with the Administration and the Legislature on appropriate reforms to slow the rise in health care costs while preserving access to care and the consumer's ability to choose their own health care providers. We urge caution with any large scale reforms as the potential for unintended consequences is great. Some proposals have the real potential to force many small providers out of business. We urge consideration of pilot programs which can uncover unintended consequences before large scale deployment.

Many of our members practice in settings of 50 or less employees. Thus our members are being squeezed from all sides in the current health care environment:

- Our members face double digit health insurance premium increases annually
- Our members have seen payment for our services from insurance companies, and especially from the Commonwealth, decrease relative to broad-based cost of living indicators
- Each year insurers and the government add more unnecessary administrative burden. For example, most payers have their own paper form and process to request approval for treatment.
- The costs of utilities, payroll, benefits, insurance and all other associated costs with operating a physical therapy practice have increased dramatically.

To bend the cost curve the market dominance of health care monopolies must be reduced. Small physical therapy and medical practices are the only competition to health care monopolies. Without adequate support there will be no competition. This will reduce access to care and it will drive up costs. More small practices will close and be forced to let go many workers across the state.

Without adequate safeguards, state imposed fee schedules, Global Payment, and Capitation schemes will further consolidate the health care marketplace. To ensure stability in health

care service delivery any state mandated fee schedule, “Global” payment or pseudo-capitation payment scheme must contain the following safeguards:

- Allow patients to choose all of their providers
- Develop and deploy quality metrics for hundreds of the most common health conditions and procedures across the spectrum of diseases and injuries. A few metrics for a few chronic diseases does not make an “Alternative Quality Contract” a valid method of improving broad based health care quality.
- There must be strict limits on financial incentives to prevent unwarranted withholding of care.
- The Commonwealth must closely monitor the hundreds of disease and medical procedure metrics for both over-utilization and under-utilization.
- Fee schedules must address prices, ensure appropriate access to all services physical therapists offer, and daily caps on payment should be removed or raised to ensure fees for low cost providers are not drastically reduced.

Physical Therapists save the health care system many times over the cost to provide physical therapy. We decrease the need for surgery and imaging. Our successful treatment enables patients to stop using expensive and risky medications. Barriers to accessing a physical therapist should be eliminated. These barriers are both administrative and cost. Many insurers and the Commonwealth force patients to needlessly spend money to see their primary care provider in order to access a physical therapist. This adds costs and delays access to treatment. Oftentimes physical therapists can quickly and inexpensively resolve an injury or condition without the need for other health care services. Delays in obtaining physical therapy can complicate recovery and result in more lost time from work.

The APTA of Mass. supports the **Small Business Health Insurance Group Buying Legislation- H.3452/ S.466** We believe this will level the playing field and reduce some of the burden on many of our member who own small practices.

We support full transparency in health care costs and pricing. Consumers should know both their out-of-pocket costs and the cost of the services paid by the insurer, preferably BEFORE the service is provided. Empowering the consumer with price transparency will facilitate market forces to drive savings.

Electronic Medical/Health Records should be both interoperable and accessible by all health care providers who are caring for a patient regardless of the setting. Limiting access or placing barriers to accessing a patient’s medical record by all providers results in poor communication, increased utilization of services, and less than optimal outcomes.

The American Physical Therapy Association of Massachusetts is happy to work with the Administration and the Legislature to tackle these difficult challenges. Thank you for the opportunity to represents the views of the profession.

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